GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4378
ANSWERED ON:21.04.2003
BUNGLING IN PURCHASE OF CARPETS
M.H. AMBAREESH

Will the Minister of CIVIL AVIATION be pleased to state:

the reply given to the Unstarred Question No.1045 dated July 22,2002 and state:

(a) Whether the enquiry into the bungling in purchase of carpets by Air India from Pennysylvania Woven Carpet Mills(PWCM) has been completed;

(b) if so, the outcome of the enquiry;

(c) whether a Director Level Officer, then heading the New York office of the Air India was found to be involved in the dubious purchase of carpets and other materials resulting in loss to Air India;

(d) if so, whether the same accused officer has been promoted by the Air India and posted in a sensitive position;

(e) if so, the action proposed to be taken against the guilty officer;

(f) whether the Government have recovered the money from the defaulting company; and

(g) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK)

(a): No,Sir.

(b),(c)&(d):It is not possible, at this stage, to indicate the details of the erring officials of Air India and their culpability and also the details of the action proposed to be taken against them.
(e),(f)&(g): After following due procedure and conducting the enquiry by an earlier enquiry committee, the competent authority awarded the punishment of dismissal from service to Shri M.L.Thatte, the then Regional Stores & PurchaseManager, New York as the charges levelled against him were established. Air India filed a law suit in the New York District Court in February,1997 for recoveries of money against PWCM and ajudgement was given in favour of Air India on 28th April,1997. However, U S Government declared PWCM bankrupt and its assets were taken over by a secured creditor.